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In the Supreme Court
OF THE
United States

OCTOBER TERM, 1954

No. 753

H. KOCH & SONS, a partnership consisting of M. P. Koch, W. L. Koch, H. M. Koch and R. Koch Abel,
Petitioner,

vs.

HYCON MFG. COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI to the United States Court of Appeals for the Ninth Circuit.

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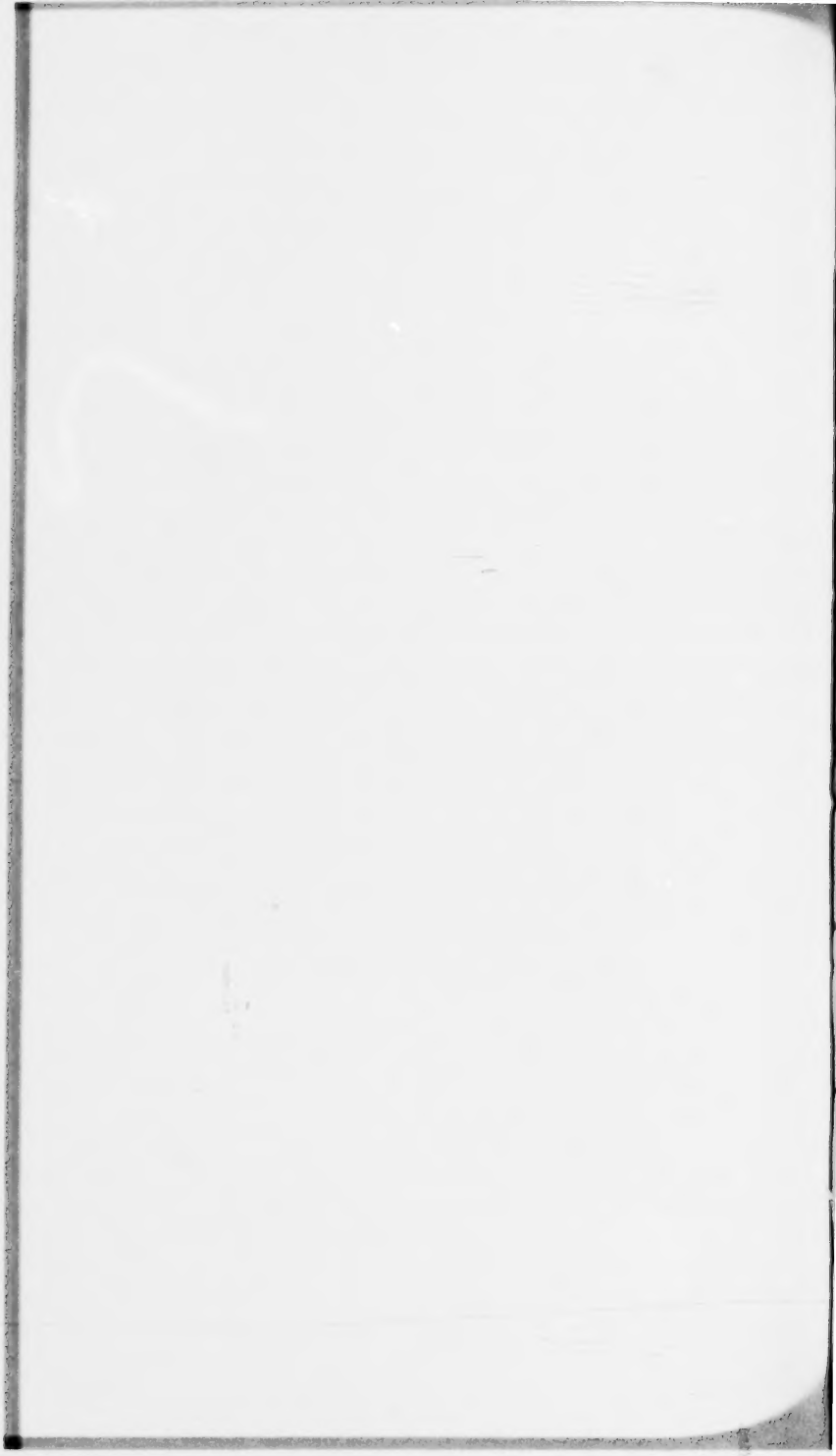

Subject Index

	Page
Opinions of the Court Below	2
Jurisdiction	2
Questions Presented for Review	2
Statutes and Rules Which This Case Involves	4
Rule 56, Federal Rules of Civil Procedure	4
Rule 52(a), Federal Rules of Civil Procedure	5
Title 35, United States Code, Section 282	6
Statement of the Case	6
The Patent	6
The Relation of the Parties	8
The Prior Art	8
Parties Made Substantially Simultaneous Motions for Summary Judgment	9
All Evidence Was Introduced	10
Findings of Fact, Conclusions of Law and Judgment	11
Court of Appeals Did Not Hear Argument on Merits of the Case	12
Reasons Relied On for the Allowance of the Writ	13
(1) The decision and opinion of the Court of Appeals is in effect a sweeping declaration against the applicability of Rule 56 in actions for patent infringement and is in conflict with general practice and with the rule prevailing in other circuits	14
(2) Conflict concerning the ultimate and decisive conclusion to be drawn from undisputed facts should not prevent rendition of summary judgment when that conclusion is one to be drawn by the Court	15
(3) The question of invention should be determined as a question of law where the case may be determined by comparison of structures without the need for expert evidence	16

Page

(4) The holding that a patent case is "in a field where presumption of validity of an administrative finding has, to say the least, been weakened" is in conflict with Title 35, United States Code, Section 282 and with the rule stated by this Court 18

(5) The District Court applied the law and doctrine of presumption of validity of the patent, correctly, as a question of law, on summary judgment 19

(6) The holding of the Court of Appeals regarding Findings of Fact by District Court negates 1946 Amendment to Rule 52(a) of the Federal Rules of Civil Procedure 20

Conclusion 21

Table of Authorities Cited

Cases	Pages
Bernard Joseph Munn v. Jacob E. Decker & Sons, 301 U. S. 168, 57 S. Ct. 675, 81 L. Ed. 983	19, 20
Bridgeport Brass Co. v. Bostwick, 181 F. 2d 315 (Second Circuit)	14
Chenault v. Nebraska Farm Products, Inc., 107 F. Supp. 635 (D. C., Nebr.)	15
Davison Chemical Corp. v. Joliet Chemicals, Inc., 179 F. 2d 793 (Seventh Circuit)	15
Fox v. Johnson & Wimsatt, 127 F. 2d 729 (C. A. D. C.)	16
Heart of America Lumber Co. v. Belove, 28 F. Supp. 619 (aff. 111 F. 2d 535, C. C. A. 8)	16
Hycon Manufacturing Company v. H. Koch & Sons, 219 Fed. 2d 353, 10 U. S. P. Q. 231	2
Matton Oil Transfer Corp. v. The Dynamic, 123 F. 2d 999 (Second Circuit)	21
Montmarquet v. Johnson & Johnson, 82 F. Supp. 469, aff. 179 F. 2d 240 (Third Circit)	14, 17
Myers v. Beale Pipe & Tank Corporation, 90 F. Supp. 265	18, 20
Parke, Davis & Co. v. American Cyanamid Co., 207 F. 2d 571 (Sixth Circuit)	15
Pierce v. American Communications Co., Inc., 111 F. Supp. 181 (D. C. D. Mass.), reviewed and reversed in American Communications Co., Inc. v. Pierce, 208 F. 2d 763 (First Circuit)	14
Tripp v. May, 189 F. 2d 198 (C. A. 7)	16, 21
United States v. Esnault-Petterie, 303 U. S. 26, 58 S. Ct. 412, 82 L. Ed. 625	17
United States v. Forness, 125 F. 2d 928 (Second Circuit)	21

Rules

Federal Rules of Civil Procedure: Pages
Rule 52 21
Rule 52(a) 4, 5, 20
Rule 56 ..... 2, 4, 14, 20

Rules of Supreme Court:
Rule 21 2

Statutes

Patent Act of 1952 18

28 U. S. Code 1254(1) 2

28 U. S. Code, Section 1338 6

35 U. S. Code, Section 282 ..... 3, 6, 13, 18, 19, 20

Texts

Moore's Federal Practice, Second Edition:
Volume 5, page 2653 21
Volume 6, pages 2237, 2238 14

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OCTOBER TERM, 1954

No.

H. KOCH & SONS, a partnership consisting of M. P. Koch, W. L. Koch, H. M. Koch and R. Koch Abel,
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vs.

HYCON MFG. COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI
to the United States Court of Appeals
for the Ninth Circuit.

To the Honorable Earl Warren, Chief Justice of the United States, and to the Honorable Associate Justices of the Supreme Court of the United States:

Your petitioner, H. Koch & Sons, respectfully prays for a writ of certiorari to the Court of Appeals

for the Ninth Circuit to review the judgment by that Court in this case.

A certified transcript of the record in the case, including the proceedings in said Court of Appeals, and nine copies of the printed record are furnished herewith in accordance with Rule 21 of this Court.

OPINIONS OF THE COURT BELOW.

The District Court's Findings of Fact and Conclusions of Law, and Summary Judgment (R. 31-37) are not reported.

The opinion of the Court of Appeals (R. 136-139) is reported at *Hycon Manufacturing Company v. H. Koch & Sons,* 219 Fed. 2d. 353, 10 U. S. P. Q. 231.

JURISDICTION.

The jurisdiction of this Court is invoked under 28 U. S. Code 1254 (1).

The judgment of the Court of Appeals for the Ninth Circuit which petitioner seeks to have reviewed was entered January 31, 1955.

QUESTIONS PRESENTED FOR REVIEW.

1. Are patent infringement actions excepted from the operation of summary judgment under Rule 56 of Federal Rules of Civil Procedure for the reason that the parties take opposite positions as to

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novelty and invention; although both parties presented all evidence which could be adduced and the patent covers a simple luggage seal, and the prior art patents and drawings and structures were readily understandable to the District Court without expert testimony.

2. In a patent infringement action are novelty, utility and invention triable issues of fact after all evidentiary facts have been introduced in evidence or stipulated to by the parties, and involve simple structures easily understood by trial court without need for expert testimony.

3. Would submission of a patent infringement suit on argument and briefs on the basis of documentary evidence and stipulated facts, which are readily understandable without expert testimony, still require a trial, and if so, just what is left to do at such trial.

4. Is the reasoning of the Court of Appeals that a patent is "in a field where presumption of validity of an administrative finding has, to say the least, been weakened" consistent with the command of Title 35, United States Code, 282: "A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it."

5. Was the District Court clearly in error in holding that the sealing of a building structure, and of a can lid were non-analogous to the luggage seal of the patent in suit, and that none of the other prior art weakened the presumption of validity arising

from the grant of the patent, and in granting summary judgment to plaintiff because as a question of law, defendant failed to overcome said presumption of validity, and the requirements of the statute as to patentability have been met.

6. Is Rule 52(a) of Federal Rules of Civil Procedure, that "finding of facts and conclusions of law are unnecessary on decision of motions under Rules 12 or 56," applicable to a patent case where District Court decided that as a matter of law the requirements of the statute as to patentability were met by the patent in suit and the presumption of validity arising out of the issuance of the patent was not weakened by the prior art presented by defendant.

STATUTES AND RULES WHICH THIS CASE INVOLVES.

Rule 56, Federal Rules of Civil Procedure:

(a) *For Claimant.* A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory judgment may, at any time after the expiration of 20 days from the commencement of the action or after service of a motion for summary judgment by the adverse party, move with or without supporting affidavits for a summary judgment in his favor upon all or any part thereof. As amended Dec. 27, 1946, effective March 19, 1948.

(b) *For Defending Party.* A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting

affidavits for a summary judgment in his favor as to all or any part thereof.

(c) *Motion and Proceedings Thereon.* The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages. As amended Dec. 27, 1946, effective March 19, 1948.

Rule 52(a), Federal Rules of Civil Procedure:

(a) *Effect.* In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon and direct the entry of the appropriate judgment; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings

of the court. If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 or any other motion except as provided in Rule 41(b). As amended Dec. 27, 1946, effective March 19, 1948.

Title 35, United States Code §282:

A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it.

STATEMENT OF THE CASE.

This is a suit for infringement of Koch Patent No. 2,604,961 issued to the petitioner on a Luggage Sealing Device (R. 70).

Jurisdiction of the District Court is based on United States Code, Title 28, Section 1338, the cause of action arising under the Act of Congress relating to patents. (R. 3)

The Patent:

The patent in suit pertains to sealing the meeting edges of a luggage by complemental sealing strips. As defined in Claim 2 of the patent (R. 72) a female strip is secured over the edges of one part of the luggage and a male strip is secured on the edges of the other part of the luggage. The female strip has a longitudinal groove in its edge facing the male strip, and a longitudinal rib on the male strip fits into said

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groove. The groove is specifically defined as being substantially of "V-shape cross section" and it has "a continuous generally cylindrical channel formed about the apex" thereof. The claim further specifies that the rib is "higher than the distance from the base of the groove to said channel." A resiliently compressible packing strip is in said cylindrical channel and is of the same diameter as that of the channel so that the packing strip "projects above said channel and into said groove."

The complete seal obtained by this structure has the advantage that it will seal even when the luggage is subjected to distortion or to sudden changes of temperature which bulbs or distorts such luggage or carrying cases.

The claimed sealing structure remains sealed even when subjected to excessive vibration, sudden shocks, changes of climate, changes of temperature, moisture, high pressures, so as to fully protect the contents of the luggage or carrying case.

The problem of sealing such luggage was rather troublesome, particularly in carrying cases of photographic equipment used by the United States Air Force (R. 59). Previously "a considerable quantity (approximately 60%) of equipment was rendered unsatisfactory for use due to the effects of rough handling, fungus, humidity, water * * *" The sealed luggage developed by petitioner was considered by the Air Force as opening "a new trend in the packaging of photographic equipment as well as other

delicate, costly equipment" (R. 60); and was considered by the Air Force the only case "that comes anywhere near meeting the rigid specifications of the Laboratory" of the Air Force (R. 62).

The Relation of the Parties.

The plaintiff, manufacturer of said luggage with said sealing strips, sold upon order to defendant such luggage, as carrying cases, in considerable quantities (R. 19, 20, 21) and sold over 20,000 such carrying cases to other manufacturers all over the United States (R. 21).

The defendant decided to make and did make its own carrying cases with the same sealing strips as those on plaintiff's carrying cases. (R. 68)

The Prior Art.

The defendant pleaded (R. 7) nine United States patents and two German patents, as anticipations.

Three of the pleaded United States patents, namely Camp, Patent No. 986,439 (R. 74), Hofbauer, Patent No. 811,718 (R. 78), and Stein, Patent No. 2,200,972 (R. 82), and one of the pleaded German patents, Heiss, No. 392,816 (R. 88) are patents on luggage showing various types of tongue and groove sealing strips, and are file wrapper references, hence were considered by the Examiner in the Patent Office during the prosecution of the Koch application for the patent in suit. (Exhibit P)

None of the other seven references pleaded by defendants pertains to luggage or luggage seals. These

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additional seven references pertain to the use of various kinds of tongue and groove joints in structures not related to luggage. For instance, the Abruzzo patent (R. 92) is on the construction of a portable building; the Canda patent (R. 98) is on a car door packing; the Bohn patent (R. 104) is on a door joint; the Green patent (R. 108) is on a closure or top for drums or barrels; the Kuck patent (R. 114) is on a clamp for a receptacle lid; the Bille patent (R. 118) is on a pipe joint; and the German patent to Wiener (R. 122) is on a cover for tin cans.

Shortly before the hearing and at the hearing defendant by affidavit of Cripe (R. 28-30), and by way of stipulations, introduced a luggage (Exhibit R), and a drawing of the sealing for the luggage (R. 131), which shows overlapping and interfitting pairs of curved fingers on the male and female strips with a central tongue resting in the concave or dished top of a gasket or packing strip. We shall hereafter refer to this prior art luggage as the "Haliburton luggage" because Mr. Cripe worked for Erle P. Haliburton, Inc., when this prior art luggage was developed and sold, and also submitted "experimentally" to the Navy. (R. 48)

Parties Made Substantially Simultaneous Motions for Summary Judgment.

Defendant did not include in its transcript on appeal, but the original record includes interrogatories both by plaintiff and by defendant, and request for admissions and answers to the same, and depositions

taken by plaintiff, and file wrapper of the patent in suit.

After such discovery proceedings, the defendant made a motion for summary judgment relying on "the pleadings, interrogatories, admissions and exhibits on file in this action." (R. 14, 15.) Defendant attached no affidavit to the motion.

Plaintiff also made a motion for summary judgment relying on "the pleadings, the depositions and other discovery proceedings" taken in this action and on the affidavit of Maurice P. Koch attached to the motion. (R. 15-21).

Defendant thereafter filed a counter-affidavit by its manager (R. 23-27).

Defendant also filed the aforementioned affidavit by Cripe (R. 28-30) to prove the prior invention and drawing of the prior art Haliburton luggage (Exhibits Q and R).

All Evidence Was Introduced.

At the hearing of the motions for summary judgments plaintiff informed the Court that all evidence that could be adduced at the trial was before the Court.

The Court of Appeals in its decision refers to "an effort to present some testimony which was precluded because it was indicated that the nature of the summary judgment prevents the trial of any issue of fact." This evidently can refer only to the excerpt from the Transcript of Proceedings (R. 47-53)

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wherein the Court and attorneys discussed the proposed testimony of Mr. Cripe. But after discussion, counsel stipulated to the evidence that would have been proven by such testimony. (R. 50-52). Hence, no evidence was precluded or excluded.

Plaintiff and defendant introduced all evidence, filed briefs, and orally argued the case.

There was even a stipulation that the original transcript of Proceedings be made part of the record upon the motions for summary judgment.

Findings of Fact, Conclusions of Law and Judgment.

The District Court found among other findings (R. 31-37) that "the presumption of validity arising from the grant of the patent in suit by the Patent Office has not been weakened or impaired by any evidence of prior art or *practice presented* in this case." (R. 31, Finding 5, *Ours.*)

The District Court also found specifically that the prior Abruzzo patent on construction of Portable Buildings and the German-Wiener patent on the Tin Can (the two prior patents mainly relied on by defendant) are non-analogous art (R. 32, Finding 7).

The District Court granted plaintiff's motion for summary judgment and entered judgment holding the patent valid and *infringed,* (R. 35-37) and referring the cause to a master for determining damages. (R. 36)

Court of Appeals Did Not Hear Argument on Merits of the Case.

Defendant appealed. The sole issue raised by Defendant was that of invalidity of the patent in suit over the prior art. Infringement was conceded by defendant and was not argued in the briefs.

The Court of Appeals at the hearing, on its own motion, raised the question of the propriety of summary judgment in patent cases and the sufficiency of the findings of fact. (R. 134). The Court of Appeals refused to hear argument on the issue of validity of the patent and ordered the cause remanded "for trial and appropriate and specific findings of fact." (R. 139)

The Court of Appeals apparently based its decision on the following:

(a) Postulates of fact were involved in the diametrically opposite positions of the respective litigants.

(b) Even if all the proof was documentary and was before the trial court, there were still questions of fact to be resolved.

(c) Even if all the facts were stipulated, submission upon that basis would require a trial.

(d) A patent validity case is a "mixed question of law and fact," and invention is always a question of fact not to be decided on summary judgment.

(e) "Because of the peculiar character of the process of reconsideration by a court in a field where presumption of validity of an administrative finding

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has, to say the least, been weakened any tendency to abolish trial in patent cases for consideration of documents in camera should be curbed."

(f) "The court must find facts which support three essentials: novelty, utility and invention" in detail even on summary judgment.

REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

It would seem that this is peculiarly a case for the exercise of this Court's power of supervision and review. It involves conflicts with the Rules of Federal Procedure which have been resolved differently by inferior courts. This Court alone can settle the question and reconcile this conflict.

Furthermore, the decision of the court below decides an important question involving Title 35, United States Code § 282, which since its passage has not been, but should be, specifically resolved by this Court.

(1) THE DECISION AND OPINION OF THE COURT OF APPEALS IS IN EFFECT A SWEEPING DECLARATION AGAINST THE APPLICABILITY OF RULE 56 IN ACTIONS FOR PATENT INFRINGEMENT AND IS IN CONFLICT WITH GENERAL PRACTICE AND WITH THE RULE PREVAILING IN OTHER CIRCUITS.

The problem in a patent case, as in other civil actions, is to determine whether there is any triable issue of fact or whether the movant is entitled to judgment as a matter of law. This simple proposition had an uphill fight in patent litigation. The early doctrine that patent infringement actions were excepted from the operation of summary judgment procedure was completely repudiated by subsequent cases.

Moore's Federal Practice, 2d Ed. Vol. 6, pp. 2237, 2238.

The decision and opinion of the Court of Appeals is a step backward to the earlier repudiated doctrine and is in direct conflict with the general practice and rules now prevailing in other circuits, as exemplified in the statement of the rule in the following cases:

Pierce v. American Communications Co., Inc., 111 F. Supp. 181 (D. C. D. Mass.) (reviewed and reversed on merits in *American Communications Co., Inc., v. Pierce,* 208 F. 2d 763 First Circuit);

Bridgeport Brass Co. v. Bostwick, 181 F. 2d 315, 316, 319 (Second Circuit);

Montmarquet v. Johnson & Johnson, 82 F. Supp. 469, 474, 475, Aff. 179 F. 2d 240 (Third Circuit);

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Parke, Davis & Co. v. American Cyanamid Co., 207 F. 2d 571, 573 (Sixth Circuit);
Davison Chemical Corp. v. Joliet Chemicals, Inc., 179 F. 2d 793, 795 (Seventh Circuit);
Chenault v. Nebraska Farm Products, Inc., 107 F. Supp. 635 (D. C. Nebr.).

Motions for summary judgments, of course, were denied where expert testimony was required for the understanding of the patent in suit and the prior art. But the rule seems to be well established everywhere, except in the instant decision, that Rule 56 is applicable to patent cases where, as in the instant case, the structure and mode of operation of the patent and the prior art may be readily comprehended by the Court and compared without need of technical explanation by expert witnesses.

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(2) CONFLICT CONCERNING THE ULTIMATE AND DECISIVE CONCLUSION TO BE DRAWN FROM UNDISPUTED FACTS SHOULD NOT PREVENT RENDITION OF SUMMARY JUDGMENT WHEN THAT CONCLUSION IS ONE TO BE DRAWN BY THE COURT.

The Court of Appeals based its decision in part on the ground that "there were postulates of fact involved in the diametrically opposite positions of the respective litigants." The Court of Appeals does not refer to any of the evidentiary facts of this case.

Evidently the Court of Appeals considers that opposing contentions of the parties as to the application

of the prior art to the patent in suit present material issues of fact to be tried.

But the parties must present opposing contentions as to the interpretation of facts and conclusions to be drawn from them, on most, if not every, motion for summary judgment. As a general rule such conflict did not prevent rendition of summary judgment, as exemplified in the following cases:

Fox v. Johnson & Wimsatt, 127 F. 2d 729 (C. A. D. C.);

Tripp v. May, 189 F. 2d 198 (C. A. 7);

Heart of America Lumber Co. v. Belove, 28 F. Supp. 619, 620 (Aff. 111 F. 2d 535 C. C. A. 8).

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(3) THE QUESTION OF INVENTION SHOULD BE DETERMINED AS A QUESTION OF LAW WHERE THE CASE MAY BE DETERMINED BY COMPARISON OF STRUCTURES WITHOUT THE NEED FOR EXPERT EVIDENCE.

The Court of Appeals here held that a trial would be required even if all the facts were stipulated. It would appear from the reasoning in the decision that the trial in some manner would have to be on the question of invention.

The structures of this luggage seal and of the prior art are very simple and obviously require no expert explanation or testimony. Hence the decision of the Court of Appeals that the question of invention is a disputed question in this case and cannot be determined on summary judgment as a question of law is

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in direct conflict with the applicable rule announced by this Court.

In *United States v. Esnault-Petterie,* 303 U. S. 26, 30, 58 S. Ct. 412, 414, 82 L. Ed. 625, it was stated:

> "We are not unmindful of the rule that where, with all the evidence before the court, it appears that no substantial dispute of fact is presented, and that the case may be determined by a mere comparison of structures and extrinsic evidence is not needed for the purposes of explanation, or evaluation of prior art, or to resolve questions of the application of descriptions to subject matter, the question of invention and infringement may be determined as questions of law."

This rule is now generally followed and quoted, as in *Montmarquet v. Johnson & Johnson,* 82 F. Supp. 469, 475.

But according to the instant decision of the Court of Appeals the determination of invention as a question of law in such a case on summary judgment is beyond "the permissible limits of determination of disputed questions without trial."

There is no suggestion in the decision as to just what is left for trial in this case where all evidentiary facts are already before the Court.

(4) THE HOLDING THAT A PATENT CASE IS "IN A FIELD WHERE PRESUMPTION OF VALIDITY OF AN ADMINISTRATIVE FINDING HAS, TO SAY THE LEAST, BEEN WEAKENED" IS IN CONFLICT WITH TITLE 35, UNITED STATES CODE, §282 AND WITH THE RULE STATED BY THIS COURT.

The Appeal Court stated its rule as follows:

> "Because of the peculiar character of the process of reconsideration by a court in a field where presumption of validity of an administrative finding has, to say the least, been weakened any tendency to abolish trial in patent cases for consideration of documents in camera should be curbed."

In stating this rule the Court relies on *Myers v. Beale Pipe & Tank Corporation,* 90 F. Supp. 265, decided prior to the enactment of the Patent Act of 1952.

In *Myers v. Beale Pipe & Tank Corporation,* supra, that court elaborated further on this rule and doctrine as follows:

> "The writer has heretofore pointed out that it was passing strange that the presumption of validity, which formerly was accorded the grant by the Patent Office, one of the oldest and most firmly founded of the administrative bodies, is treated by the appellate courts as evanescent as a cloud. Therefore, in consideration of this patent, the court has treated it as though the burden was upon the patentee to establish validity. In no other way can the trial courts, under the present winds of doctrine, find whether a patent is strongly rooted enough so that it will not be uprooted." (268)

It is evident therefore that the Court of Appeals predicated its instant decision on the above quoted rule, and is in direct conflict with the express mandate of the Patent Act.

> "A patent shall be presumed valid. The burden of establishing invalidity of a patent shall rest on a party asserting it." 35 U. S. C. § 282.

This decision is also in direct conflict with the rules enunciated by this Court as exemplified in *Bernard Joseph Munn v. Jacob E. Decker & Sons,* 301 U. S. 168, 57 S. Ct. 675, 676, 81 L. Ed. 983.

In the above case this Court reiterated the rule that the burden on the defendant is "a heavy one, as it has been held that 'every reasonable doubt should be resolved against him.' "

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(5) THE DISTRICT COURT APPLIED THE LAW AND DOCTRINE OF PRESUMPTION OF VALIDITY OF THE PATENT CORRECTLY, AS A QUESTION OF LAW, ON SUMMARY JUDGMENT.

The District Court found that there was nothing in the prior art which weakened the presumption of validity of the patent.

The District Court considered such of the prior patents which were not cited by the Patent Office Examiner (Supra, p. 8) and the Haliburton luggage, and compared them with the references cited by the Examiner, (Supra, p. 9) and found defendant's new references more remote from plaintiff's patent in suit than the patents considered by

the Examiner. From this it naturally followed that applying the rule of *Munn v. Decker & Sons,* Supra, the presumption of validity was not weakened or overcome by defendant.

For uniformity of decisions on this question it is essential to determine the meaning of the Statute, Title 35, U. S. Code, § 282. Does this statute affect the rule of "weakened presumption" of *Myers v. Beale Pipe & Tank Corporation,* Supra, and does it confirm the strong presumption restated by this Court in *Munn v. Decker & Sons,* Supra?

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(6) THE HOLDING OF THE COURT OF APPEALS REGARDING FINDINGS OF FACT BY DISTRICT COURT NEGATES 1946 AMENDMENT TO RULE 52 (a) OF THE FEDERAL RULES OF CIVIL PROCEDURE.

The Court of Appeals rejected the findings of fact of the District Court as insufficient and emphasized the "importance of a specific declaration on the contested issues by the trial court either in opinion or in findings."

Rule 52 (a) of the Federal Rules of Civil Procedure, since the 1946 amendment, provides that findings of fact and conclusions of law are unnecessary on decisions of motions under Rule 56.

Consequently if the decision of the Court of Appeals is permitted to stand as the law in the Ninth Circuit, then the 1946 amendment to Rule 52 (a) is without force in this circuit.

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If the decision of the District is deemed a decision on the merits in accordance with the optional treatment set forth in *Tripp v. May,* supra, even then the findings are sufficient.

It is particularly troublesome in patent litigation to determine where "fact" ends and "law" takes over. The District Court found specifically on ultimate facts.

Under Rule 52, the trial judge "need only make brief, definite, pertinent findings and conclusions upon contested matter * * * rather than the delayed, argumentative overdetailed documents prepared by winning counsel."

Matton Oil Transfer Corp. v. The Dynamic, 2 Cir., 123 F. 2d 999, 1001;

United States v. Forness, 2 Cir., 125 F. 2d 928, 942-943;

Moore's Federal Practice, 2d Ed. Vol. 5, p. 2653.

If the rule in the instant case is permitted to stand, it will result in confusion as to standards of findings needed in patent litigation and on summary judgments.

CONCLUSION.

It is respectfully urged, therefore, that there is here presented a proper occasion for the exercise of the supervisory power of this Court, and that a writ of certiorari should be granted and that this Court

should review and reverse the decision of the Court of Appeals and affirm the summary judgment of the District Court.

Dated, San Francisco, California,
April 25, 1955.

Respectfully submitted,
GEORGE B. WHITE,
Counsel for Petitioner.

MASON & GRAHAM,
COLLINS MASON,
WILLIAM R. GRAHAM,
Of Counsel.

(Appendices A, B and C Follow.)

Appendix A

United States Court of Appeals
for the Ninth Circuit

Hycon Manufacturing Company, Appellant, vs. H. Koch & Sons, a partnership consisting of M. P. Koch, W. L. Koch, H. M. Koch and R. Koch Abel, Appellee.	No. 14,046 Jan. 31, 1955

Upon Appeal from the United States District Court
for the Southern District of California
Central Division

Before: STEPHENS, FEE and CHAMBERS, Circuit Judges

JAMES ALGER FEE, Circuit Judge:

This was an action for infringement of letters patent. The answer denied infringement and raised the questions of lack of invention, novelty, utility and anticipation by devices in the prior art. A declaratory judgment of invalidity of the patent was prayed also by defendants.

Both sides moved for summary judgment. The court granted motion for plaintiff, made findings of fact, conclusions of law and entered judgment. The

questions of infringement and damages were not adjudicated.

The trial court exceeded the permissible limits of determination of disputed questions without trial. A motion for summary judgment cannot be granted simply because both sides move for it.[1] An indispensable prerequisite to such a judgment is the absence of a material question of fact. But it is obvious that there were postulates of fact involved in the diametrically opposite positions of the respective litigants. Both contentions of fact could not be true.

It is then said the proof was documentary and was all before the trial court. If this were conceded, there were still questions of fact to be resolved which an appellate court is not permitted to adjudicate. Trial de novo, which was formerly the rule in admiralty, ecclesiastical courts and in some chancery cases, is definitely abolished in civil cases in the federal courts by the rules constricting review. No authority is given except to District Courts to make new findings of fact. Presently our sole function as to such findings is to re-examine judicially, criticize and set aside if "clearly erroneous."[2] The existence of the basis

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[1] "• • • it is well-established that cross-motions for summary judgment do not warrant the trial court granting summary judgment unless one of the moving parties is entitled to judgment as a matter of law upon facts that are not genuinely disputed." F.A.R. Liquidating Corporation vs. Brownell, 3 Cir., 209 F.2d 375, 380. Begnaud vs. White, 6 Cir., 170 F.2d 323, 329.

[2] A finding upon summary judgment will be set aside if there is dispute about the "fact." Where after trial the court weighs the evidence, documentary and testamentary, there is a strong policy for affirmation on appeal, which is crystallized in Rule 52, Federal Rules of Civil Procedure.

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of fact in documentary form or in agreed statement of the parties does not transmute such propositions into questions of law.[3]

It is true that all the facts might have been stipulated. But even then, submission upon that basis would require a trial. At the trial an opportunity should be given to introduce evidence. Here, as we understand the record, there was an effort to present some testimony which was precluded because it was indicated the nature of a summary judgment prevents the trial of any issue of fact.[4] No comment is required. The case must be remanded for trial.

But it should not be conceived that this action is founded upon a technicality. The lawyers for the respective parties, by the cross-motions, superinduced the idea that no factual questions were involved. But the utmost which can be said in a patent validity case is that it is a "mixed question of law and fact." The implications of this phrase are misleading.[5] It is realized that the learned trial judge took this action under the pressure of a heavy calendar and in order to save time for the parties and attorneys. As often happens, the shortcut did not accomplish the desired

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[3]Waialua Agricultural Company vs. Maneja, 9 Cir., 178 F.2d 603, 608.

[4]Federal Rules of Civil Procedure, 56(d).

[5]A clearer statement has been given judicially. "The question of invention being a question of fact, to be determined, however, by rules of law, Poppenhusen vs. Falke, Fed. Cas. No. 11280, 5 Blatch. 49, we are constrained to hold the patent valid on a fact finding of invention in its subject matter." Radiator Specialty Co. vs. Buhot, 3 Cir., 39 F.2d 373, 376. At the time of that opinion, there was trial de novo in appellate courts in patent cases.

end.[6] In a patent case there are three interested parties, the patent holder, the user of an accused device and the public. The interest of the last is paramount.[7] Devices in the public domain should not be subject to appropriation by entrepreneux through fallacious letters patent. The formal parties plaintiff and defendant cannot be allowed to dictate the course of the litigation lest the public suffer.

Because of the peculiar character of the process of reconsideration by a court in a field where presumption of validity of an administrative finding has, to say the least, been weakened,[8] any tendency to abolish trial in patent cases for consideration of documents in camera should be curbed. Furthermore, apparently as a direct result of the improper failure to hold a trial, the findings of fact which were made were entirely inadequate. Here again, the lawyers seem to have presented the court with formalistic pronouncements of "ultimate fact," which are in effect conclusions. An administrative grant of letters carries a presumption of validity, but does not state on its face the invention involved or differentiate the device from earlier patent or contrivances already dedicated to the public.

The court must find facts which support three essentials: novelty, utility and invention. Mere conclu-

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[6]See Doehler Metal Furniture Co., Inc. vs. United States, 2 Cir., 149 F.2d 130, 135.

[7]"It is the public interest which is dominant in the patent system." Mercoid Corporation vs. Mid-Continent Investment Co., 320 U.S. 661, 665.

[8]See Myers vs. Beale Pipe & Tank Corporation, 90 F. Supp. 265.

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sions in order to hold a patent valid, such as are contained in this record, are of no avail. No opinion was before this Court. There is indication neither why the trial judge thought the device was an invention nor why the patented article was differentiated from the prior art. It is well known that a single patent has been upheld in one circuit and invalid in another.[9] In a famous case, the Supreme Court held a patent invalid[10] when attention was called to a device which had been in the public domain for many years prior to the alleged invention, although it had previously sustained the identical patent in a prior case where this evidence of anticipation was lacking. In the interest of the public, the importance of a specific declaration on the contested issues by the trial court either in opinion or in findings cannot be overemphasized.[11] Otherwise, the burden is placed on this Court of trying patent cases in the first instance rather than exercising the normal function of review.

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[9]Conflicting views of appellate courts concerning the validity of the same patent has led the Supreme Court to grant certiorari in many cases. For example, see Jungersen vs. Ostby & Barton Co., 335 U.S. 560; Dow Chemical Co. v. Halliburton Oil Well Cementing Co., 324 U.S. 320; Universal Oil Products Co. vs. Globe Oil & Refining Co., 322 U.S. 471; Cuno Engineering Corporation vs. Automatic Devices Corporation, 314 U.S. 84; Maytag Company vs. Hurley Machine Co., 307 U.S. 243. See also Triplett vs. Lowell, 297 U.S. 638. In such cases perforce, the Supreme Court exercises an independent function in relation to facts.

[10]See Smith vs. Hall, 301 U.S. 216, and Smith vs. Snow, 294 U.S. 1.

[11]"Besides, the defense of want of patentable invention in a patent operates not merely to exonerate the defendant, but to relieve the public from an asserted monopoly * * *." Haughey vs. Lee, 151 U.S. 282, 285. It is imperative that the courts do not receive submission of such controversies on an inadequate basis laid by interested parties.

The summary judgment is vacated, the petition for declaratory relief is reinstated and the cause remanded for trial and appropriate and specific findings of fact.

(Endorsed:) Opinion. Filed Jan. 31, 1955.
Paul P. O'Brien, Clerk.

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Appendix B

[Title of District Court and Cause.]

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Findings of Fact

1. Plaintiff is the lawful owner of Patent No. 2,604,961, dated July 29, 1952.

2. This action is brought by plaintiff against defendant to enjoin infringement of claim 2 of Patent No. 2,604,961, and to recover damages and costs and attorney's fees against defendant.

3. Both plaintiff and defendant have manufactured and sold and are manufacturing and selling carrying cases with sealing devices in all essential respects the same as disclosed and claimed in claim 2 of the patent in suit.

4. Plaintiff's carrying cases with the sealing device claimed in claim 2 of the patent in suit, were and are commercially successful and completely replaced the type of carrying cases previously used by defendant for carrying and protecting valuable instruments prior to the acceptance of plaintiff's said carrying case.

5. The presumption of validity arising from the grant of the patent in suit by the Patent Office has not been weakened or impaired by any evidence of prior art or practice presented in this case. No prior art has been presented in evidence affecting the nov-

elty or validity of the invention protected by claim 2 of the patent in suit.

6. The sealing device attached to the edges of the parts of luggage and carrying cases specified in claim 2 of the patent in suit is different in construction, mode of operation and result from the various sealing devices of the prior art.

7. The prior U. S. patent to Abruzzo No. 540,084 on Construction of Portable Buildings and German patent to Wiener No. 110,483 on a closure for tin cans are non-analogous art.

8. The file wrapper references considered and rejected by the Examiner as anticipations during the prosecution of the application for patent in suit are more pertinent than the U. S. patent to Abruzzo or the Wiener German patent.

9. Nothing appears in the record of the proceeding in the patent office leading to the allowance and grant of the patent in suit that precludes or forbids a finding that defendant's accused carrying cases are fairly within and covered by claim 2 of the patent in suit.

10. Claim 2 of the patent in suit is complete, definite and certain, and defines an operable, useful and patentable invention.

11. Claim 2 of the patent in suit is good and valid in law, and has been and is infringed by defendant in the making, vending and using of carrying case structures exemplified by Exhibit A and Exhibits 6 and 7.

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Conclusions of Law

1. The Court has jurisdiction of the subject matter and the parties.

2. Plaintiff is entitled under the law to an injunction restraining defendant from infringement of claim 2 of United States Patent No. 2,604,461, and to an accounting and recovery of damages from defendant for infringement thereof, and to recover its taxable costs and attorney's fees in this suit.

3. United States Letters Patent No. 2,604,461, dated July 29, 1952 is good and valid in law and claim 2 thereof is infringed by defendant in making, vending and using the carrying case structure exemplified by Exhibits A, 6 and 7 in evidence in this suit.

4. Plaintiff does not complain in this suit that the remaining claims 1 and 3 of said patent in suit have been or are infringed by defendant, therefore, said claims 1 and 3 are not passed upon or adjudicated in this suit.

5. Defendant's counterclaim for declaratory judgment adjudging said patent in suit invalid and not infringed by defendant is dismissed with prejudice.

6. Plaintiff is entitled to an injunction permanently enjoining and restraining defendant, its officers, agents, employees and servants from infringing or contributing to the infringement of said United States Letters Patent No. 2,604,961 during the term of said patent by the making, vending or using of sealing devices or carrying cases with sealing

devices exemplified by Exhibits A, 6 and 7 in evidence in this suit.

7. Plaintiff is entitled to judgment against defendant for its damages, to be hereinafter determined by accounting, arising out of the infringement by defendant of United States Letters Patent No. 2,604,961 by defendant in the making, vending and using of carrying cases with sealing devices exemplified in Exhibits A, 6 and 7 in evidence in this suit.

8. This cause shall be referred in due and regular course to a Special Master of this Court to take and hear evidence and to find and determine and report to this Court the damages suffered by plaintiff arising out of the infringement of the patent in suit by defendant.

9. Judgment shall be entered by the clerk of this Court in favor of the plaintiff and against the defendant pursuant to and in accordance with the foregoing findings of fact and conclusions of law.

Dated: This 28th day of May, 1953.

/s/ ERNEST A. TOLIN,
United States District Judge.

[Endorsed]: Filed May 8, 1953. As Proposed.

[Endorsed]: Filed May 28, 1953.

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Appendix C

[Title of Court and Cause]

SUMMARY JUDGMENT

The above entitled cause came before the Court on the motion of plaintiff for a summary judgment, pursuant to Rule 56 of the Federal Rules of Civil Procedure, having been presented, and the Court being fully advised, and it appearing to the Court from the pleadings, admissions, interrogatories, exhibits and affidavit on file in this action that there is no genuine issue as to any material fact as to the validity and infringement of United States Letters Patent No. 2,604,961, issued July 29, 1952, to Maurice P. Koch as inventor, for an invention on Luggage Sealing Device; and the Court having given due consideration thereto, and findings of fact and conclusions of law having been made by the Court and decreed by the Court and entered herein,

It Is Ordered, Adjudged and Decreed:

1. That United States Letters Patent No. 2,604,-961 and claim 2 therein is good and valid in law.

2. That Plaintiff is the sole and exclusive owner of said patent in suit and of all claims and demands arising out of the infringement thereof claimed against Defendant in this suit.

3. That Defendant by making, vending and using carrying cases with sealing devices exemplified by Exhibits A, 6 and 7 in evidence in this cause has

infringed upon Plaintiff's exclusive rights covered and protected by claim 2 of said patent in suit.

4. That Plaintiff is entitled to recover from Defendant the damages it has suffered arising out of the infringement by Defendant of claim 2 of said patent in suit by making, vending and using carrying cases with sealing device exemplified by Exhibits A, 6 and 7 in evidence in this cause.

5. This cause is referred to Howard V. Calverly, United States Post Office and Court House Building, 312 North Spring Street, Los Angeles 12, California, who is hereby appointed Special Master of this Court to take and hear evidence and to find and determine and report to this Court the damages suffered by Plaintiff arising out of the infringement by Defendant of said United States Letters Patent.

6. That a writ of injunction issue herein strictly commanding and enjoining the Defendant Hycon Manufacturing Company, a California Corporation, its officers, agents, employees and servants, and all persons, firms and corporations claiming by, through or under it or in active concert or participation with it or under its authority and each and every of them, forthwith, for the remainder of the term of said United States Letters Patent, to desist and refrain from directly or indirectly making or causing to be made, vending or causing to be vended, using or causing to be used, any device embodying or containing the invention of said United States Letters Patent and particularly claim 2 thereof, and particularly

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carrying case structures exemplified by Exhibits A, 6 and 7.

7. Defendant's counterclaim for declaratory judgment, adjudging the said United States Patent invalid and not infringed by Defendant is hereby dismissed with prejudice.

8. Plaintiff shall recover from Defendant its costs and disbursements of this suit to be taxed by the clerk and shall have execution therefor against said Defendant.

Dated: This 28th day of May, 1953. Costs taxed at $165.35.

/s/ ERNEST A. TOLIN,
United States District Judge.

[Endorsed]: Filed as a proposed judgment May 8, 1953.

[Endorsed]: Filed May 28, 1953.

SUBJECT INDEX

PAGE

Question presented 1

Statement of the case 2

Argument 4

I.

There is no conflict between the decision of the Court of Appeals in this case and Rule 56 of the Federal Rules of Civil Procedure 4

II.

There is no conflict between the decision of the Court of Appeals in this case and decisions of the other circuits 5

III.

The public interest demands careful inquiry before holding a patent valid 7

IV.

Petitioner's alleged questions have no basis in the record 8

Conclusion 9

TABLE OF AUTHORITIES CITED

CASES

	PAGE
Begnaud v. White, 170 F. 2d 323	6
Chenault v. Nebraska Farm Products, Inc., 107 Fed. Supp. 635, 94 U. S. P. Q. 321	8
Great Atlantic & Pacific Tea Company v. Supermarket Equipment Corp., 340 U. S. 174, 71 S. Ct. 127, 95 L. Ed. 162, 87 U. S. P. Q. 303	7
Haughey v. Lee, 151 U. S. 282	7
Mercoid Corporation v. Mid-Continent Investment Co., 320 U. S. 661	7
Parke Davis & Co. v. American Cyanamid, 207 F. 2d 571	5
Pierce v. American Communications Co., Inc., 111 Fed. Supp. 181, 97 U. S. P. Q. 60	5
Walling v. Richmond Screw Anchor, 154 F. 2d 780	6

RULES

Federal Rules of Civil Procedure, Rule 56	4, 9

TEXTBOOK

6 Moore's Federal Practice (2d Ed.), p. 2059	4
6 Moore's Federal Practice (2d Ed.), p. 2071	8

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1954.

No. 753.

H. KOCH & SONS, a partnership,

Petitioner,

vs.

HYCON MFG. COMPANY,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI.

The petition does not properly present the issues which were decided by the Court of Appeals and accordingly Respondent proposes the following question as the single issue involved in this proceeding.

Question Presented.

In a patent infringement suit where infringement and validity of the patent are denied in the pleadings, numerous prior art patents are introduced in evidence, conflicting affidavits are filed, and physical exhibits of prior public use introduced but no testimony is permitted concerning their construction and relevancy, is it proper, in view of the paramount interest of the public in patent cases, for the trial court under such circumstances to de-

termine on motion for summary judgment that said patent displays sufficient novelty and invention over said prior art patents and uses to be upheld as a valid monopoly.

Statement of the Case.

While petitioners go into considerable detail concerning the merits of the case below, this merely tends to confuse the issue since, as pointed out on page 12 of the petition, the Court of Appeals did not decide the case on the merits, but on the contrary, remanded it for trial on the sole ground that summary judgment was improper because there was a genuine issue of fact that should have been tried.

As stated in the petition, both parties moved for summary judgment, and plaintiff's motion was supported by the affidavit of the patentee Maurice P. Koch, raising controversial issues of fact.

Shortly after said motions were filed the defendant Hycon Mfg. Company succeeded in finding a piece of Halliburton luggage with a waterproof seal [Ex. R] which had been manufactured and sold some ten (10) years prior to the Koch patent filing date. The Halliburton luggage construction *is substantially identical to that of the Koch patent*, as shown by the drawing attached hereto which folds outwardly for convenient use.

Upon the filing of the Koch affidavit, defendant Hycon Mfg. Company immediately filed a formal paper contesting several of the issues of fact raised therein. This paper, entitled "Defendant's Statement on Plaintiff's Motion for Summary Judgment" [R. 22] was supported by the time of the hearing by affidavits of Grover Judy and R. W. Cripe.

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Mr. Cripe was the design engineer for the early Halliburton waterproof luggage and his affidavit [R. 28] described the construction, manufacture, and sale of 2,000 Halliburton luggage pieces up to 1941. Also the waterproof testing of these units was described. Attached to his affidavit was a drawing of the Halliburton tongue and groove waterproof seal construction [R. 132].

Realizing the vital importance of the Halliburton luggage as a substantial anticipation of the plaintiff's patent, Respondent had Mr. Cripe in court at the hearing on the summary judgment motions. Mr. Cripe was prepared to testify regarding the Halliburton construction, its waterproof characteristics and the excellence of its performance.

As pointed out by the Court of Appeals, there was an attempt to put Mr. Cripe on the stand, but plaintiff objected and although plaintiff stipulated to the existence of the Halliburton structure prior to 1942, Respondent was nevertheless precluded from presenting oral testimony as to its construction and relevancy. The result was that the trial court never fully understood the Halliburton structure. This is evident from the fact that in spite of the substantial identity of the Halliburton and Koch structures (see drawing attached hereto) the Halliburton luggage was not even mentioned in the findings or the conclusions of the trial court.

In view of the foregoing facts the Court of Appeals on its own motion raised the question of the propriety of the summary judgment proceedings in the trial court, and on this issue alone remanded the case to the District Court.

ARGUMENT.

I.

There Is No Conflict Between the Decision of the Court of Appeals in This Case and Rule 56 of the Federal Rules of Civil Procedure.

Rule 56 permits summary judgment upon motion by either party provided that the pleadings, depositions, admissions and affidavits on file show that there is no genuine issue as to any material fact *and* that the moving party is entitled to judgment as a matter of law. In the present case neither of these requirements was met.

The conflicting affidavits violated the permissible scope of affidavits under Rule 56. The purpose of affidavits under Rule 56 is to establish whether or not there is a triable issue of fact. Summary judgment procedure does not contemplate a trial by affidavits.

6 *Moore's Federal Practice* (2d Ed.), p. 2059.

Here the affidavits demonstrated that there was a triable issue of a material fact and for this reason the motions should have been denied. An attempt was made by the defendant (Respondent herein) to introduce testimony of R. W. Cripe at the summary judgment proceeding to explain the construction and relevancy of the prior art Halliburton luggage, but it was indicated that the nature of summary judgment prevented trial of the issues and testimony was not permitted. The presence of a triable issue was ignored and summary judgment granted contrary to Rule 56.

The second requirement of the Rule, that the moving party must be entitled to judgment as a matter of law, was not met. While the structure claimed by the patent in

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suit was simple and seemingly suited for summary judgment motion, the issues were in fact too complicated for the busy trial judge to absorb in the short time available for the hearing on the motions. As a consequence, physical evidence [the Halliburton luggage, Ex. R] which would have been highly persuasive if not determinative of the case was overlooked by the Trial Court because of the nature of the proceedings. From a comparison of the prior Halliburton structure with that of the patent in suit, it is clearly apparent that it cannot be said that as a matter of law the Koch patent is valid.

II.

There Is No Conflict Between the Decision of the Court of Appeals in This Case and Decisions of the Other Circuits.

While summary judgments have occasionally been permitted in patent cases in the Ninth as well as other circuits, it has frequently been stated in all circuits that summary judgment procedure should be used with extreme caution in patent cases. Even the cases cited by petitioner support this statement:

> "Ordinarily the issues in a patent case are such that it is inappropriate to pass on the question of the validity of the patent without hearing testimony . . ."
>
> *Pierce v. American Communications Co., Inc.* (D. C. D. Mass.), 111 Fed. Supp. 181, 97 U. S. P. Q. 60.

> "The courts are reluctant to decide important issues by summary judgment because of the lack of a record adequate to explain the issues of fact and law."
>
> *Parke Davis & Co. v. American Cyanamid* (C. A. 6), 207 F. 2d 571 at 573.

The Court of Appeals in this case acted in accordance with established standards recognized in all circuits in remanding this case for trial under the particular facts involved, and in so doing emphasized the dangers inherent in deciding patent cases on motions for summary judgment.

The fact that both parties moved for summary judgment did not transmute the genuine issues of fact into questions of law. There may not be an issue of fact according to the theory of one moving party, but on a different theory of the other moving party, a direct conflict may exist.

> *Begnaud v. White* (C. A. 6, 1948), 170 F. 2d 323;
> *Walling v. Richmond Screw Anchor* (C. A. 2, 1946), 154 F. 2d 780, 784.

As stated by the Court of Appeals, there are always issues of fact inherent in conflicting contentions concerning the validity and scope of patents. Here, as the record clearly shows, there were genuine issues of fact in the opposite contentions of the parties on these questions and summary judgment was therefore improper under the Rules and the decisions.

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III.

The Public Interest Demands Careful Inquiry Before Holding a Patent Valid.

The stake of the public in patent validity was stated by this Court in

> *Great Atlantic & Pacific Tea Company v. Supermarket Equipment Corp.*, 340 U. S. 174, 71 S. Ct. 127, 95 L. Ed. 162, 87 U. S. P. Q. 303:
>
> "Every patent is the grant of a privilege of exacting tolls from the public. The Framers of the Constitution plainly did not want those monopolies freely granted."
>
> ". . . The function of a patent is to add to the sum of useful knowledge. Patents cannot be sustained when, on the contrary, their effect is to subtract from former resources freely available to skilled artisans."

See, also:

> *Mercoid Corporation v. Mid-Continent Investment Co.*, 320 U. S. 661, 665:
>
> "It is the public interest which is dominant in the patent system."

And

> *Haughey v. Lee*, 151 U. S. 282, 285:
>
> "Besides, the defense of want of patentable invention in a patent operates not merely to exonerate the defendant, but to relieve the public from an asserted monopoly . . ."

The Court of Appeals in the present case found that the interests of the public had not been adequately pro-

tected since a summary disposition of the litigation was made instead of trying the issues of validity and infringement as should have been done. The standards for invoking summary judgment require that the facts shall be so clear that there can be no room for controversy.

Chenault v. Nebraska Farm Products, Inc. (D. C. Neb.), 107 Fed. Supp. 635, 94 U. S. P. Q. 321;
6 *Moore's Federal Practice* (2d Ed), p. 2071.

This standard was not met in the present case and the interest of the public accordingly suffered. The Court of Appeals was properly vigilant in protecting the public interest by remanding the case for trial.

Again we point to the fact that due to the use of summary procedure herein, one of the most important pieces of evidence in the case, to-wit, the Halliburton luggage, was totally ignored in the findings and very evidently was not considered by the Trial Court in its decision on the motions for summary judgment.

IV.

Petitioner's Alleged Questions Have No Basis in the Record.

Petitioner's first three questions are in effect one question: Was summary judgment proper under the facts of this particular case. The alleged conflicts asserted by petitioners in their first three questions do not in fact exist when it is remembered that this decision is based on its own particular facts and merely reasserts the long established *rule of caution* to be followed in patent cases.

Question 4 relating to the presumption of validity and Question 5 relating to non-analogous art have no basis in

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the Court of Appeals decision since that Court did not rule on the merits but instead rendered its decision on procedure only.

Question 6 relating to the absence of findings of fact is moot since the trial court did make findings of fact.

Conclusion.

No conflict exists between the decision of the Court of Appeals in this case and Rule 56 or the decisions of other circuits. The decision does not raise or decide any novel point of law. There is no question of public moment present here, other than the protection of the public against ill advised motions for summary judgment. The case was properly decided by the Court of Appeals and the petition accordingly should be denied.

Respectfully submitted,

ROBERT W. FULWIDER,
HARRY W. BRELSFORD,
EDWARD E. TUTTLE,
Attorneys for Respondent.

KOCH

HALLIBURTON

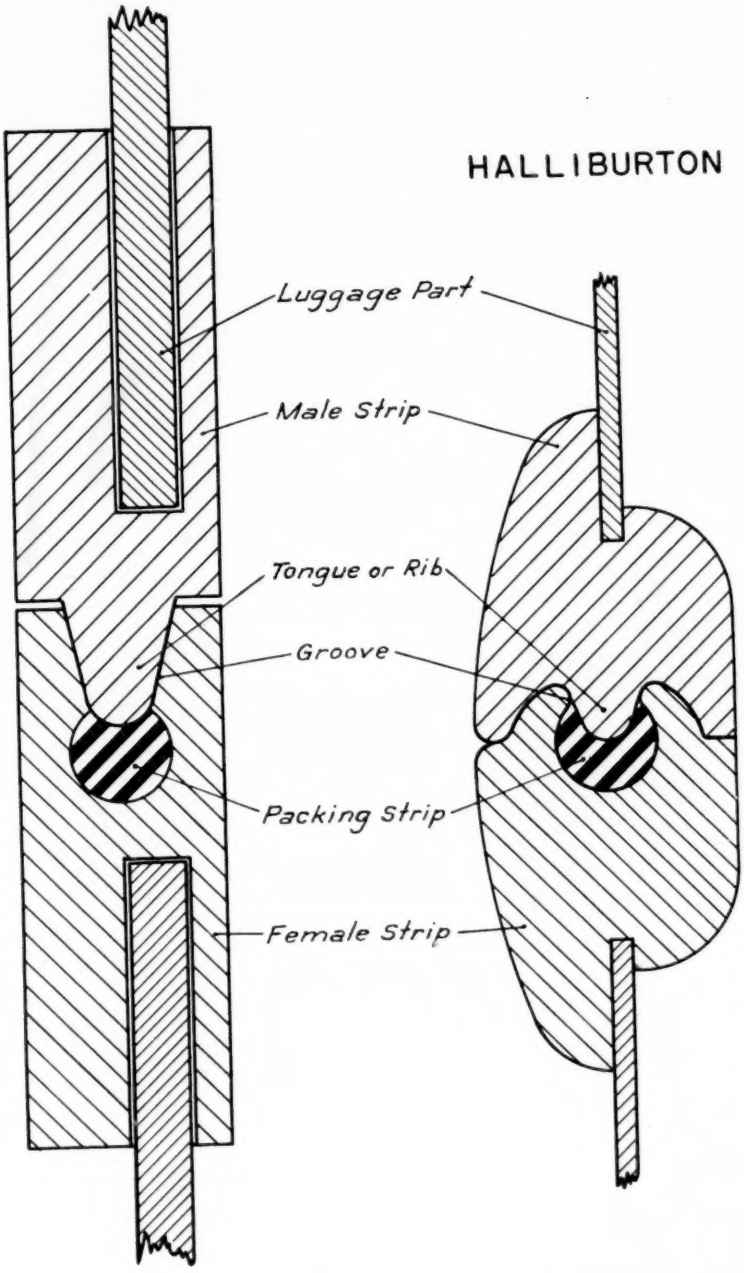

EXHIBIT B

EXHIBIT Q